



**DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220**

**MEMORANDUM FOR R. RICHARD NEWCOMB, DIRECTOR
OFFICE OF FOREIGN ASSETS CONTROL.**

THROUGH:

BETSY SUE SCOTT
Chief, Civil Penalties

FROM:

[REDACTED]
Intern, Civil Penalties

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SUBJECT:

PROPOSED SETTLEMENT BY HSBC BANK USA
FOR ALL CURRENTLY OUTSTANDING OFAC CIVIL PENALTIES

DATE:

August 6, 2001

HSBC Bank USA ("HSBC") has offered to settle all of its currently outstanding civil penalty violations in one global settlement.

Violations: The first violation stems from HSBC processing a funds transfer referencing a Cuban Specially Designated National ("SDN") vessel. The second violation concerns HSBC's processing of two funds transfers initiated by [REDACTED] a SDN of Iraq. The third violation, HSBC self-disclosed the processing of a funds transfer intended for a Libyan SDN. The fourth violation is the processing of a commercial payment destined for Khartoum, Sudan.

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Date of Violation	Amount	Program	Proposed CMP	Counter Offer	Date PPN Issued
07/30/98	\$14,380.00	Sudan	[REDACTED]	[REDACTED]	Not issued
03/23/00	\$539,377.21	Cuba	[REDACTED]	[REDACTED]	Not issued
05/21/00 &	\$500,407.40 &	Iraq	[REDACTED]	[REDACTED]	Not issued
05/24/00	\$10,922.02		[REDACTED]	[REDACTED]	Not issued
08/18/00	\$31,434.51	Libya	[REDACTED]	[REDACTED]	
		Total	[REDACTED]	\$163,314.90	

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Settlement Offer: [REDACTED]

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Mitigating Factor(s)/Other Administrative Considerations:

[REDACTED]

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[REDACTED]

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OK (2)
(02/24/01)

J.L.
1/11/01

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